

LIBRARY REFERENCE OCA-LR-1, DOCKET NO. R2006-1

MATERIALS COLLECTED BY THE
OFFICE OF THE CONSUMER ADVOCATE
CONCERNING THE USE OF A NON-VALUE-INDICATED STAMP
IN THE UNITED KINGDOM AND FRANCE

Listing of Materials in Library Reference OCA-LR-1, Docket No. R2006-1

1. Postal Service response to interrogatory OCA/USPS-191 in Docket No. R2005-1. This response includes 2 attachments, one is an e-mail message from Royal Mail concerning the "Non-Value Stamp" sold to the stamp-buying public in the U.K.; the other attachment is an e-mail printout from La Poste concerning their sale of non-denominated stamps in France.
2. 8 Items Concerning Use of NVI Stamps in the U.K.
 - a. Shelley Dreifuss Memo to File Concerning "First Introduction of OCA to NVI Stamps"
 - b. March 28, 2002, e-mail from Dr. Roisin Doherty to Shelley Dreifuss to arrange visit from members of Postwatch to the PRC.
 - c. April 22, 2002, e-mail from Dr. Roisin Doherty to Shelley Dreifuss to establish a meeting date.
 - d. May 17, 2005, e-mail from Joanne Elliott to Jim Callow outlining the advantages of the NVI stamp.
 - e. March 10, 2006, e-mail from John Glock to Jim Callow outlining the advantages of the NVI stamp.
 - f. May 17, 2005, e-mail from Derek Sibley to Jim Callow discussing the use of the NVI Stamp in the U.K.
 - g. Printout of Information on U.K. NVI Stamps Available at Royal Mail Website.
 - h. Printout of Information on U.K. NVI Stamps Available at MachinMania Website.
3. 2 Items Concerning Use of Stamps Without Facial Value in France
 - a. Shelley Dreifuss Notes of Meeting with La Poste Officials at PRC.
 - b. Printout from Phil Flash Website.
4. Summary of Survey of NVI (Non-Value Indicator) Stamp Usage in Other Countries

1. POSTAL SERVICE RESPONSE TO
INTERROGATORY OCA/USPS-191, WITH 2 ATTACHMENTS
DOCKET NO. R2005-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-191. Please provide any economic, marketing, or other research, studies or reviews available to the Postal Service concerning the experience of foreign postal administrations that offer nondenominated postage to retail postal customers for single-piece items.

RESPONSE:

The Postal Service assumes that any research, studies, and reviews available to it are also available to the Office of the Consumer Advocate. Accordingly, in preparing a response to this interrogatory, the Postal Service has not solicited outside sources to determine the availability of any responsive materials not already in its possession.

In 2002, an e-mail inquiry was directed to the postal administrations in Great Britain, France and Italy. Attached is a summary of an e-mail chain reflecting the information obtained from Great Britain. Also attached is a copy of a print-out of the French e-mail response. There is no record of any response that may have been obtained from Italy.

FILE :

Non-Value Stamps

Non-value Stamp: Royal Mail

Obtaining information on this program has been extremely difficult. There is no central contact for the program at Royal Mail and we have obtained information from at least six different individuals.

Royal Mail introduced "non-value" stamps approximately 13 years ago. At that time, stamp prices were increasing on an annual basis. The purpose of the non-value stamps is that even if the rate changes the stamp is still valid for the service. Accordingly, the price for the non-value stamp is always the current stamp price.

Royal Mail initial position was that the non-value stamps offer a cost saving. When rates change, they do not have to withdraw stock and print new stamps at the new rate. This clearly had a more significant impact when prices changed on an annual basis. They also stated that positive PR was obtained from their introduction. Customers favored the use of non-value stamps as they could be used continually without having to add low value stamps to bridge the gap created when prices increased. The non-value stamps are available for first-class, second-class and Euro. Although not confirmed, they estimated that these services provide about 7.5 percent of total revenue.

Royal Mail has a current goal to change prices on regulated services every three to five years. Although they believe there is some escalation in purchase of the non-value stamps prior to a rate increase, they do not view this as a major problem. Essentially, there is no effort to limit these purchases. They merely sell the same non-value stamps at the new rate on the date the rate change is effective.

The use of non-value stamps presents a problem in determining the amount of deferred revenue (PIHOP - postage in hands of the public). Royal Mail sends post cards to selected customers and requests information on the number and type of stamps on hand. They do this on a monthly basis.

Clearly, in its present format, the use of non-value stamps is strictly for customer convenience. They believe there is extremely limited value in the program as it relates to the potential to earn interest on the funds obtained through the purchase of these stamps.

Set up mtg

Colvin, Jeff L - Washington, DC

From: bernard.roy@laposte.fr at INTERNET
Sent: Friday, July 12, 2002 6:21 AM
To: Colvin, Jeff L - Washington, DC
Cc: Beck, Carol - Washington, DC; Alenier, Howard S - Washington, DC;
antoine.dimaggio@laposte.fr at INTERNET; joelle.toledano@laposte.fr at INTERNET
Subject: un-denominated stamps



X (2 KB)



BERNARDR.VCF
(259 B)

Dear Jeff,

We are very sorry for not answering sooner to your mail.

La Poste does offer non denominated stamps. They are available for the first weight step (below 20 grams) for urgent domestic mail. They are also used for international mail in Zone 1 (most european destinations) below 20 grams. They are always available, and for a lifetime. To my knowledge, no financial problem has been mentionned. Actually, I believe it's a good commercial thing, as people don't have to buy extra-stamps when there is an increase in prices...

I will forward this e-mail to Mr Antoine DI MAGGIO.
He is the head manager of the "national service of postal stamps and philately". He is the specialist of these questions, and is also a very good professional. If you need to investigate furthermore, he or one member of his team will be glad to answer your questions. You will find his e-mail on the list up front ; his telephone number is 33 1 44 12 19 00. He suggested to organize a telephone appointment to answer you, with a member of his team who is very fluent in english.

Best regards,
Bernard.

2. 8 ITEMS CONCERNING USE OF NVI STAMPS IN THE U.K.

Memo to File: First Introduction of OCA to NVI Stamps

By SSD; June 29, 2006

I am writing my recollections about the first time I learned about a Non-Value Indicated (NVI) stamp.

On May 13, 2002, the PRC received visitors from Postwatch (formally named "The Consumer Council for Postal Services" in section 2, Chapter 26, of the Postal Services Act 2000, United Kingdom). Postwatch is an independent entity created by Parliament. Its main constituents are described in section 54 of the Postal Services Act:

(1) The Council shall, in exercising its functions in relation to relevant postal services, have regard to the interests of different users of relevant postal services (including, in particular, the interests of users in different areas).

(2) The Council shall, in exercising its functions, have regard to the interests of-

(a) individuals who are disabled or chronically sick,

(b) individuals of pensionable age,

(c) individuals with low incomes, and

(d) individuals residing in rural areas, but that is not to be taken as implying that regard may not be had to the interests of other descriptions of persons.

(There is some similarity between the functions of OCA in the U.S. and the functions of Postwatch in the U.K.)

There were three visitors from Postwatch: Councilwoman Ann Foster; Dr. Roisin Doherty, Policy Advisor on Networks; and Ian Fisher, Senior Director on Networks. One of the main purposes of their visit to the U.S. was to learn about methods used in the U.S. to protect the rights of businesses and consumers in communities that are faced with the closing of a post office.

I met with our visitors to discuss issues of general interest. One of the topics that arose was how Royal Mail handles postal increases. Councilwoman Foster took out a booklet of NVI stamps and explained that, in the U.K., mailers use NVI stamps on their lightweight letters. She further explained that the stamps are good "forever," in that there is never any need to add postage to them when the price of First Class or Second Class increases. Purchasers of NVI stamps buy them at the then-current rate and can use them without additional postage for any future mailing, without limitation.

Around the time of my meeting with Councilwoman Foster, Dr. Doherty, and Mr. Fisher, word was circulating in the media and in several public fora that many of the Postal Service's business customers prefer pre-announced, annual postal rate increases to the irregular (roughly three-year) cycle of postal rate changes. Rate changes known in advance, that are set at a more "digestible" size, lend themselves to improved postage budgeting by businesses.

As the idea of annual postal increases gained momentum, I became concerned that changing single-piece First-Class rates annually would force the stamp-buying public to make extra trips to post offices every year, instead of every three years, to obtain make-up stamps. This seemed to be a significant new burden for consumers. I thought that the NVI approach would be a good solution to the problem – change postal rates annually, which is beneficial to business customers, but spare consumers the need to make extra trips to the post office every year to obtain make-up stamps. I broached this idea at the 2002 Ratemaking Summit. Tr. 1/21, May 30, 2002.

DREIFUSS, SHELLEY S

From: Dr Roisin Doherty [roisin.doherty@postwatch.co.uk]
Sent: Thursday, March 28, 2002 11:51 AM
To: DREIFUSS, SHELLEY S
Subject: RE: Enquiry form Postwatch, United Kingdom

Dear Ms. Dreifuss,

You may be aware that we recently contacted the Postal Rate Commission about visiting your organisation in May. Postwatch is particularly interested in the role your organisation plays when the closure of a post office is proposed and in the role of the Consumer Advocate in representing consumers of postal services. A member of the Postwatch Council, Ann Foster, the Postwatch senior director dealing with post office network, Ian Fisher and myself, a policy advisor will be in Washington from the 13th to the 15th of May and wondered if a meeting could be arranged with appropriate people in your organisation to discuss these issues.

I look forward to hearing from you whether this is possible.

Yours sincerely,

Dr. Roisin Doherty
Policy Advisor Networks
Tel. 020 7259 1364

-----Original Message-----

From: KLASS, KATHIE J [mailto:KLASSKJ@prc.gov]
Sent: 19 March 2002 19:50
To: 'Dr Roisin Doherty'
Cc: DREIFUSS, SHELLEY S
Subject: RE: Enquiry form Postwatch, United Kingdom

Thank you for your e-mail. We would be delighted to have you visit the Office of the Consumer Advocate (OCA) at the Postal Rate Commission (PRC) during your up coming visit. The Commission is an independent regulatory agency whose responsibility is to recommend new domestic rates and mail classification to the Postal Service. OCA serves as an advocate for the general public in proceedings before the Commission, but otherwise its authority is limited.

OCA is familiar with your organization, in the Fall we had a phone meeting with Colin Adamson regarding the responsibilities and outreach efforts of your group. I am attaching a file with information about our mandate. The OCA recently issued a report on the quality of postal services, which was filed on March 6, 2002. I suggest you contact our Acting Director Shelley Dreifuss at DreifussS@prc.gov or by phone at 202-789-6837. We look forward to your visit.

Sincerely,

Kathie Klass

[KATHIE J KLASS] -----Original Message-----

From: Dr Roisin Doherty [mailto:roisin.doherty@postwatch.co.uk]
Sent: Thursday, March 14, 2002 10:59 AM
To: 'prc-oca@prc.gov'
Subject: Enquiry form Postwatch, United Kingdom

Dear Sir/Madam,

I work for the Consumer Council for Postal Services (Postwatch) in the United Kingdom. Our organization was created in 2000 by the UK government to look after the interests of consumers of postal services. We are planning a visit to the United States to find out about the operation of postal services in the US. We have a particular interest in finding out about the provision of postal services, consumer representation and the process by which closures of Post Offices occur or are prevented in the US. In the UK a Code of Practice governing Post Office closures is agreed between Postwatch and the operator, Consignia.

From internet research I understand that part of the function of the Postal Rates Commission is to consider appeals against proposed closures. Can you tell me what role your office plays in this and who I could contact to find out more about this function. I would also like to know more about the role of the Consumer Advocate in general.

Yours sincerely,

Dr. Roisin Doherty
Policy Advisor Networks
Tel. 020 7259 1364

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Consumer Council for Postal Services - CCPS (K/A Postwatch)
28-30 Grosvenor Gardens, London SW1W. 0TT. United Kingdom.

Switchboard: 020 7259 1200
Web Site: <http://www.postwatch.co.uk>

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DREIFUSS, SHELLEY S

From: DREIFUSS, SHELLEY S
Sent: Monday, April 22, 2002 9:40 AM
To: 'Dr Roisin Doherty'
Subject: RE: Postwatch, United Kingdom - visit to the Postal Rate Commission

Dear Dr. Doherty,

I would be delighted to meet with you on the morning of May 13, and if you have other time slots available during your visit to the US, later as well.

I have a meeting this morning until about noon. I will call you when it is over. If I don't reach you this afternoon, I will try again tomorrow morning.

Sincerely,

Shelley Dreifuss

-----Original Message-----

From: Dr Roisin Doherty [mailto:roisin.doherty@postwatch.co.uk]
Sent: Monday, April 22, 2002 6:22 AM
To: 'DREIFUSS, SHELLEY S'
Subject: Postwatch, United Kingdom - visit to the Postal Rate Commission

Dear Ms. Dreifuss,

I hope you have received my previous e-mails. Our visit to Washington will go ahead as planned and I now have a firm idea of our schedule.

A member of the Postwatch Council, Ann Foster, the Postwatch senior director dealing with post office network, Ian Fisher and myself, a policy advisor will be in Washington from the 13th to the 16th of May.

The main purpose of the trip is primarily to investigate US practice in the payment of electronic benefits. However, while in the US we would like to take the opportunity to find out about the US post office network, how proposed closures are considered and how the views of consumers are represented. We are keen to discuss these issues with Postal Rate Commission representatives. In our draft itinerary I have set aside the morning of Monday May 13th for this purpose. We are meeting with officials from USPS in the afternoon.

Can you let me know whether a meeting is possible that morning? If not I will see what flexibility I have in the rest of the schedule.

It may be helpful if we could have a telephone conversation about what we hope to get out of speaking to your organisation. If you wish to ring me please feel free to do so (the international dialling code for the UK is 44), otherwise I will try to give you a ring later today or tomorrow.

Best wishes

Roisin

Dr. Roisin Doherty
Policy Advisor Networks
Tel. 020 7259 1364

-----Original Message-----

From: DREIFUSS, SHELLEY S [mailto:dreifusss@prc.gov]
Sent: 01 April 2002 01:51
To: 'Dr Roisin Doherty'
Subject: RE: Enquiry form Postwatch, United Kingdom

Dear Dr. Doherty,

I would be delighted to meet with you, Ms. Foster, and Mr. Fisher during your visit to Washington. I have no plans to be away from the office during the period May 13 -15 and am available for as much or little time as you would like during that period

The Office of the Consumer Advocate (OCA) has never been delegated the duty to protect the interests of citizens who may be adversely affected by the closing of a post office. Consequently, my office (OCA) has no special expertise in this matter. However, I will try to identify those individuals at the Postal Rate Commission who have experience in writing the decisions of the Commission affirming (or not affirming) Postal Service decisions to close a post office. The longheld view of the Commission is that it lacks the power under the Postal Reorganization Act to adjudicate the merits of closing a post office. Rather, the Commission believes that in such cases it is limited to a review of the process followed by the Postal Service in publicizing its decision in the affected community and in the subsequent stages of the process ultimately leading to the decision to close an office.

As a result of the restricted role that Congress has given the Commission, nearly all Postal Service decisions to close post offices are affirmed by the Commission.

For a more detailed explanation of the Commission's role, I have reproduced a description that is set forth at the Commission's website -- www.prc.gov.

"Post Office Closings and Consolidations

The Postal Reorganization Act's promise of a more businesslike approach to providing the nation's mail service prompted considerable concern over the fate of small post offices, particularly rural ones. Section 101(b) of the Postal Reorganization Act reflects this concern by providing that:

No small post office shall be closed simply for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.

The Act as originally enacted did not provide any role for the Commission in small post office closings. It contemplated only Postal Service involvement. However, the early-to-mid seventies saw mounting concern and frustration over inflammatory GAO reports and Postal Service administrative proposals to close up to 6,000 small post offices. In response, Congress amended the Act in 1976 to provide for Commission review of appeals of post office closings or consolidations brought to it by effected persons.

The Commission serves a reviewing function much like an appeals court and, pursuant to statutory standards of review, evaluates the legal sufficiency of the Postal

Service's treatment of the statutory criteria. This involves determining (i) whether procedural requirements, such as providing adequate notice to patrons, were satisfied, (ii) whether the Postal Service has made, on the record, the statutory findings it is required to make, and (iii) whether they are supported by substantial evidence.

The Commission must affirm the determination to close or consolidate a post office unless its inquiry discloses inconsistency with the law or the Postal Service's failure to comply with due process requirements. If inconsistencies exist, the Commission cannot prevent the closing or consolidation. Rather, it must remand the case to the Postal Service for reconsideration of the criteria in question. In other words, returning a determination to the Postal Service does not mean that the Postal Service may not close the office, only that it must first comply with the statute."

The powers and duties of the Commission in appeals of post office closings were established in section 404(b)(5) of the title 39 of the United States Code. I have also reproduced the language of this statutory provision.

"A determination of the Postal Service to close or consolidate any post office may be appealed by any person served by such office to the Postal Rate Commission within 30 days after such determination is made available to such person under paragraph (3). The Commission shall review such determination on the basis of the record before the Postal Service in the making of such determination. The Commission shall make a determination based upon such review no later than 120 days after receiving any appeal under this paragraph. The Commission shall set aside any determination, findings, and conclusions found to be -

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

(B) without observance of procedure required by law; or

(C) unsupported by substantial evidence on the record.

The Commission may affirm the determination of the Postal Service or order that the entire matter be returned for further consideration, but the Commission may not modify the determination of the Postal Service. The Commission may suspend the effectiveness of the determination of the Postal Service until the final disposition of the appeal. The provisions of section 556, section 557, and chapter 7 of title 5 shall not apply to any review carried out by the Commission under this paragraph."

I look forward to meeting you and your colleagues in mid-May. If you would like to telephone me, please call 202-789-6837.

Sincerely,

Shelley Dreifuss

-----Original Message-----

From: Dr Roisin Doherty [mailto:roisin.doherty@postwatch.co.uk]

Sent: Thursday, March 28, 2002 11:51 AM

To: DREIFUSS, SHELLEY S

Subject: RE: Enquiry form Postwatch, United Kingdom

Dear Ms. Dreifuss,

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I look forward to hearing from you whether this is possible.

Yours sincerely,

Dr. Roisin Doherty
Policy Advisor Networks
Tel. 020 7259 1364

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From: KLASS, KATHIE J [mailto:KLASSJ@prc.gov]
Sent: 19 March 2002 19:50
To: 'Dr Roisin Doherty'
Cc: DREIFUSS, SHELLEY S
Subject: RE: Enquiry form Postwatch, United Kingdom

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OCA is familiar with your organization, in the Fall we had a phone meeting with Colin Adamson regarding the responsibilities and outreach efforts of your group. I am attaching a file with information about our mandate. The OCA recently issued a report on the quality of postal services, which was filed on March 6, 2002. I suggest you contact our Acting Director Shelley Dreifuss at DreifussS@prc.gov or by phone at 202-789-6837. We look forward to your visit.

Sincerely,

Kathie Klass

[KATHIE J KLASS] -----Original Message-----

From: Dr Roisin Doherty
[mailto:roisin.doherty@postwatch.co.uk]
Sent: Thursday, March 14, 2002 10:59 AM

To: 'prc-oca@prc.gov'

Subject: Enquiry form Postwatch, United Kingdom

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From internet research I understand that part of the function of the Postal Rates Commission is to consider appeals against proposed closures. Can you tell me what role your office plays in this and who I could contact to find out more about this function. I would also like to know more about the role of the Consumer Advocate in general.

Yours sincerely,

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Policy Advisor Networks
Tel. 020 7259 1364

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DREIFUSS, SHELLEY S

From: CALLOW, JAMES F
Sent: Monday, March 13, 2006 10:51 AM
To: DREIFUSS, SHELLEY S
Subject: FW: Royal Mail's Nondenominated First Class Postage Stamp

Shelley,
Here is the other from last year.
Jim

-----Original Message-----

From: joanne.j.elliott@royalmail.com
[mailto:joanne.j.elliott@royalmail.com]
Sent: Tuesday, May 17, 2005 6:34 AM
To: CALLOW, JAMES F
Cc: rashidat.familusi@postwatch.co.uk
Subject: FW: Royal Mail's Nondenominated First Class Postage Stamp

Jim

Postwatch have sent me your query to deal with. I work in the Regulation department of Royal Mail.

I am afraid that we don't hve any research or any statistics or data to help you. If we did have any, it has been lost in the mists of time.

The answer to your questions, however, is straightforward. Producing non value indicator (NVI) stamps give us significant cost benefits in various ways.

It means we do not have to recall and destroy stamp sheets and books at the old value. We also do not have to increase production of 1p or 2p stamps in order to 'make up' the old stamps to the new vaues.

It increases customer satisfaction because it makes it much easier for customers to send items at the basic weight step, thus improving access.

These benefits outweigh any possible slight loss in revenue. Our 'Stamps in the hands of the public' survey shows that the number of stamps that people hold does not rise significantly enough just before a price rise to give us cause for concern.

I hope that this helps.

Jo

Royal Mail is a trading name of Royal Mail Group plc. Registered in England and Wales.
Registered number 4138203. Registered office at 148 Old Street, LONDON EC1V 9HQ

----- Forwarded by Joanne J Elliott/e/POSTOFFICE on 17/05/2005 11:24 -----

Rashidat Familusi
<rashidat.familusi@postw
Elliott (E-mail)" <joanne.j.elliott@royalmail.com>
atch.co.uk>

To: "Joanne. J.
cc:
Subject: FW: Royal

Mail's Nondenominated First Class Postage Stamp
16/05/2005 15:21

Hello Jo,

Postwatch has received the enquiry below from a Rates and Classification Specialist in America, who has asked for any information we may have on Royal Mail's nonedenominated First Cass stamps. I have not been able to locate any information on this within Postwatch but wondered if Royal Mail might have some documents - be it research undertaken or any other.

if you are able to locate anything, would you kindly send these to me and I will pass these on accordingly.

Many thanks

Rashidat

Rashidat Familusi
Research and Policy Assistant
Postwatch
28-30 Grosvenor Gardens
Victoria
SW1W 0TT
Tel: 020 7259 1233

>>> "CALLOW, JAMES F" <callowjf@prc.gov> 06/05/2005 16:52 >>>

Greetings! My name is Jim Callow. I am a rates and classification specialist in the Office of Consumer Advocate at the Postal Rate Commission in Washington, DC.

I am writing to inquire about Royal Mail's experience with its nondenominated First Class postage stamp.

I understand Royal Mail sells a First Class postage stamp for 30p. However, the stamp is nondenominated; that is, the price of 30p is not printed on the stamp itself. Consequently, customers that purchased First Class stamps at the previous price i.e., 28p, are not precluded from using such stamps even after the recent increase to 30p. As you may know, the US Postal Service does not offer such a nondenominated postage stamp for First-Class Mail customers here.

Several objections are made when the topic of a nondenominated

stamp is raised:

- there would be an overall revenue loss, caused by
- hoarding of postage that is used for First-Class Mail in subsequent periods when service costs are higher, and
- "surge" buying of postage when new rates (or the possibility thereof) are announced, thereby depressing revenue after the increase.

At the same time, there seems to be positive aspects to a nondenominated stamp:

- there might be an increase in revenue, caused by
- "postage in the hands of the public," i.e., postage that is never used for First-Class Mail service, and
- a stream of interest income on revenue received for postage that may or may not be used in subsequent periods.

If you have conducted any research or prepared other information on these or other topics concerning Royal Mail's experience with the nondenominated First Class postage stamp, I would appreciate knowing of such research or other information, and how I might obtain a copy (if publicly available). Also, if you are aware of research by organizations other than Postcomm on Royal Mail's nondenominated stamp, I would like to contact those organizations about their research.

Thank you in advance for any assistance you might provide.
Sincerely,
James F. Callow
OCA/PRC

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DREIFUSS, SHELLEY S

From: CALLOW, JAMES F
Sent: Monday, March 13, 2006 10:54 AM
To: DREIFUSS, SHELLEY S
Subject: FW: Royal Mail's Nondenominated First Class Postage Stamp

Shelley,

This is the most recent email received, dealing with arbitrage, from Royal Mail. The Postal Service also identified two emails during discovery in R2005-1. See attachments to OCA/USPS-191.

-----Original Message-----

From: john.glock@royalmail.com [mailto:john.glock@royalmail.com]
Sent: Friday, March 10, 2006 6:36 AM
To: CALLOW, JAMES F
Subject: RE: Royal Mail's Nondenominated First Class Postage Stamp

James

Jo Elliott has moved onto another role so I will respond to your e-mail

We have 3 main types of customer:

Account managed
Customers who have credit accounts
Members of the public

Account managed

These are the big sellers of stamps such as large chains of Newsagents and Supermarkets. As we have an individual relationship with them, they can be managed so any forward buying can be limited

Customers who have credit accounts

Credit is normally agreed at the required monthly usage rate so any dramatic increase due to forward buying can be managed. There will inevitably be some forward buying

Members of the public

As any member of the public can call the sales centre, providing they have funds for purchase, they are not limited to how many stamps they can buy. I believe you will appreciate that large volume purchases will be questioned

There is currently a new approach to this whole subject being developed which will be deployed from the summer of 2006. If you would like to e-mail me at that time, I will gladly relate the principles of the revised way

John Glock
Postwatch Relationship Manager
Regulatory Affairs

Tel: 07710 097159 (Mobex 5367 3692)
e-mail john.glock@royalmail.com

"CALLOW, JAMES
F"
<joanne.j.elliott@royalmail.com>
<james.callow@pr
c.gov>
Nondenominated First Class Postage Stamp

To:
cc:
Subject: RE: Royal Mail's

24/02/2006 19:54

Jo,

Your comments from last year were most helpful as we began our research into the policy and operational issues surrounding NVI postage stamps. Seeing that you are in the Regulation department, I wonder if you might indulge me concerning a further inquiry with respect to NVI postage and arbitrage. That is, the purchase of NVI postage prior to a known rate increase, for the purpose of resale following the increase at a price between the old rate and the new rate.

More specifically: How does Royal Mail preclude arbitrage by customers, and retailers that sell NVI stamps?

Assuming the design of the NVI stamps are unchanged, it seems to me that the opportunity for arbitrage exists. However, for individual customers, there are substantial risks that preclude doing so, including risking large quantities of capital to purchase NVI stamps with no guarantee they can resell them in a short period of time to recover their capital.

To the contrary, retailers might be in a better position to take advantage of arbitrage opportunities. Certain retailers might be willing to acquire for inventory large quantities of NVI postage prior to a rate increase, knowing that they can sell them subsequent to the rate change.

Has arbitrage by customers and retailers been a problem for Royal Mail? If so, in what ways has Royal Mail addressed this problem?

Any additional thoughts or comments you might have on Royal Mail's experience with NVI postage and arbitrage would be appreciated.
Thank you.

Sincerely,
James F. Callow
OCA/PRC

-----Original Message-----

From: joanne.j.elliott@royalmail.com
[mailto:joanne.j.elliott@royalmail.com]
Sent: Tuesday, May 17, 2005 6:34 AM
To: CALLOW, JAMES F
Cc: rashidat.familusi@postwatch.co.uk
Subject: FW: Royal Mail's Nondenominated First Class Postage Stamp

Jim

Postwatch have sent me your query to deal with. I work in the Regulation department of Royal Mail.

I am afraid that we don't have any research or any statistics or data to help you. If we did have any, it has been lost in the mists of time.

The answer to your questions, however, is straightforward. Producing non value indicator (NVI) stamps give us significant cost benefits in various ways.

It means we do not have to recall and destroy stamp sheets and books at the old value. We also do not have to increase production of 1p or 2p stamps in order to 'make up' the old stamps to the new values.

It increases customer satisfaction because it makes it much easier for customers to send items at the basic weight step, thus improving access.

These benefits outweigh any possible slight loss in revenue. Our 'Stamps in the hands of the public' survey shows that the number of stamps that people hold does not rise significantly enough just before a price rise to give us cause for concern.

I hope that this helps.

Jo

Royal Mail is a trading name of Royal Mail Group plc. Registered in England and Wales.

Registered number 4138203. Registered office at 148 Old Street, LONDON EC1V 9HQ

----- Forwarded by Joanne J Elliott/e/POSTOFFICE on 17/05/2005 11:24 -----

Rashidat Familusi

J. Elliott (E-mail)" <rashidat.familusi@postw
<joanne.j.elliott@royalmail.com>
atch.co.uk>

To: "Joanne.

cc:

Subject: FW:

Royal Mail's Nondenominated First Class Postage Stamp

16/05/2005 15:21

Hello Jo,

Postwatch has received the enquiry below from a Rates and Classification Specialist in America, who has asked for any information we may have on Royal Mail's non-denominated First Class stamps. I have not been able to locate any information on this within Postwatch but wondered if Royal Mail might have some documents - be it research undertaken or any other.

if you are able to locate anything, would you kindly send these to me and I will pass these on accordingly.

Many thanks

Rashidat

Rashidat Familusi
Research and Policy Assistant
Postwatch
28-30 Grosvenor Gardens
Victoria
SW1W 0TT
Tel: 020 7259 1233

>>> "CALLOW, JAMES F" <callowjf@prc.gov> 06/05/2005 16:52 >>>

Greetings! My name is Jim Callow. I am a rates and classification specialist in the Office of Consumer Advocate at the Postal Rate Commission in Washington, DC.

I am writing to inquire about Royal Mail's experience with its non-denominated First Class postage stamp.

I understand Royal Mail sells a First Class postage stamp for 30p. However, the stamp is non-denominated; that is, the price of 30p is not printed on the stamp itself. Consequently, customers that purchased First Class stamps at the previous price i.e., 28p, are not precluded from using such stamps even after the recent increase to 30p. As you may know, the US Postal Service does not offer such a non-denominated postage stamp for First-Class Mail customers here.

Several objections are made when the topic of a non-denominated stamp is raised:

- there would be an overall revenue loss, caused by
- hoarding of postage that is used for First-Class Mail in subsequent periods when service costs are higher, and
- "surge" buying of postage when new rates (or the possibility thereof) are announced, thereby depressing revenue after the increase.

At the same time, there seems to be positive aspects to a non-denominated stamp:

- there might be an increase in revenue, caused by
- "postage in the hands of the public," i.e., postage that

is

never used for First-Class Mail service, and

-- a stream of interest income on revenue received for postage

that may or may not be used in subsequent periods.

If you have conducted any research or prepared other information on these or other topics concerning Royal Mail's experience with the nondenominated First Class postage stamp, I would appreciate knowing of such research or other information, and how I might obtain a copy (if publicly available). Also, if you are aware of research by organizations other than Postcomm on Royal Mail's nondenominated stamp, I would like to contact those organizations about their research.

Thank you in advance for any assistance you might provide.

Sincerely,

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OCA/PRC

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DREIFUSS, SHELLEY S

From: CALLOW, JAMES F
Sent: Monday, March 13, 2006 10:50 AM
To: DREIFUSS, SHELLEY S
Subject: FW: Royal Mail's Nondenominated First Class Postage Stamp

Shelley,
Here is one from Derek Sibley.
Jim

From: Derek Sibley [mailto:Derek.Sibley@psc.gov.uk]
Sent: Tuesday, May 17, 2005 12:52 PM
To: CALLOW, JAMES F; info
Subject: Re: Royal Mail's Nondenominated First Class Postage Stamp

James

I fielded a question along similar lines from Shelley Dreifuss of the Office of the Consumer Advocate way back in 2002. This answer is largely what I told her then.

Royal Mail tend to use the term "Non Value Indicator" stamps, which have 1st or 2nd printed on them rather than a monetary value. The stamps have phosphor bands on them which, as I understand it, can be read automatically by machine as the rate for the correct class of mail. This would cope with a price increase and change of colour, or design, of a stamp.

I do not have much information from Royal Mail about these stamps but I'll hazard a few opinions. Large mailers would tend to use PPI (Postage Paid Impression) or franking machines, stamps would therefore tend to be used by small business or social users. I doubt if there is much hoarding in anticipation of a price increase as the amount that the average household tends to pay in postage would not make it financially attractive and I doubt if small businesses can be bothered. On average, households spend about GBP£26 per year on postage, that is a couple of items per week. Hoarding would only be attractive if the amount of the rate change was large. Royal Mail tend to make 1p (GBP£0.01) increases for the basic weight step which is not a large percentage increase on the basic current 1st class postage of 30p and 2nd class of 21p.

If Royal Mail raised prices by a penny, I guess in the days before NVI there was a run on 1p stamps to use up stocks of the old stamps, which was a pain rather than revenue generation. Besides which there is an upside to possible hoarding as Royal Mail get the money in earlier than they would and can invest the money short term taking the interest.

Also, NVI avoids the need to design, print and distribute a new set of stamps for a new set of prices, which would detract from the value of the price increase.

There is some basic data on stamps as part of the discussion on channel pricing at

www.psc.gov.uk/documents/LatestNews/FinalPostcommannexforconsultation31104.pdf

Hope this helps, please let me know if you need anything else.

Derek Sibley

Derek Sibley
Postal Services Commission
5th Floor, Hercules House
6 Hercules Road
LONDON
SE1 7DB

Telephone:- 020 7593 2163
Switch:- 020 7593 2100
Mobile:- 07967 346756
Fax:- 020 7593 2142
e-mail:- derek.sibley@psc.gov.uk
web www.psc.gov.uk

>>> "CALLOW, JAMES F" <callowjf@prc.gov> 06/05/2005 16:52:19 >>>

Greetings! My name is Jim Callow. I am a rates and classification specialist in the Office of Consumer Advocate at the Postal Rate Commission in Washington, DC.

I am writing to inquire about Royal Mail's experience with its nondenominated First Class postage stamp.

I understand Royal Mail sells a First Class postage stamp for 30p. However, the stamp is nondenominated; that is, the price of 30p is not printed on the stamp itself. Consequently, customers that purchased First Class stamps at the previous price i.e., 28p, are not precluded from using such stamps even after the recent increase to 30p. As you may know, the US Postal Service does not offer such a nondenominated postage stamp for First-Class Mail customers here.

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- hoarding of postage that is used for First-Class Mail in subsequent periods when service costs are higher, and
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Thank you in advance for any assistance you might provide.

Sincerely,
James F. Callow
OCA/PRC

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$\hat{A} = \begin{bmatrix} 1 & 0 & 0 \\ 0 & 1 & 0 \\ 0 & 0 & 1 \end{bmatrix}$, $\hat{B} = \begin{bmatrix} 0 & 0 & 0 \\ 0 & 0 & 0 \\ 0 & 0 & 0 \end{bmatrix}$, $\hat{C} = \begin{bmatrix} 0 & 0 & 0 \end{bmatrix}$, $\hat{D} = \begin{bmatrix} 0 \end{bmatrix}$

Search



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CONCLUSIONS

1. *Phragmites australis* (Cav.) Trin. ex Steud.

1. **Introduction**
 2. **Methods**
 3. **Results**
 4. **Discussion**
 5. **Conclusion**
 6. **References**

Abstract

Rectitude/Address Finder

Rental Prices

Track & Train

Customer Feedback

Home

Send and
receive mail

Paying for your mail

Stamps

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Introduction

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There's a huge range of stamps from the standard stamps with Her Majesty the Queen's head on (known as Machin stamps), ranging from 1p to £5, as well as country definitive stamps for England, Scotland, Wales and Northern Ireland to special stamps commemorating occasions and events.

You can also get non-value indicator (NVI) stamps, which just show 1st or 2nd Class and can be used in the UK for anything weighing up to 60g, or the International OneStop stamps, for sending letters and postcards up to 40g by Airmail to anywhere around the World. These stay valid even if the postage rate changes after you buy them.

All of these are available from your local Post Office™ branch, many high street shops, or our mail order business Royal Mail Direct. You can even buy them now from our [online shop](#). Easy to buy, easy to post. Just stick and send.



Key features

- Quantities to suit individual and business needs
- Fixed rate prices, even if the postage rate changes
- Buy them right here in our [online shop](#)

Product instructions

You can buy self-adhesive rolls of up to 10,000 First or Second Class stamps or sheets of 100 stamps in all values from our [online shop](#) or from our mail order service Royal Mail Direct - ideal for small businesses or large mailings as the stamp rolls can be applied by machine.

You can order books of 12 First or Second Class stamps or books of 4 European or Worldwide stamps from our [online shop](#). Or you can buy stamp books from all Post Office branches and many high street retail stores. And outside opening hours you can buy stamps from

vending machines outside many main Post Office branches.

Commemorative and special stamps or other stamp products (for example, First Day Covers) can also be bought from our [online shop](#) or from Post Office branches .

The value of the stamps you need to stick on to your mail depends on which service you are using and the weight of the item. Please refer to our [pricing section](#) for further information.

Whichever stamp you use, make sure you stick it on the top right-hand corner and avoid covering them with any sticky material, staples or tape.

Pricing

Current book of stamps	Price
12 x First Class	£3.84
12 x second Class	£2.76
6 x First Class	£1.92
6 x Second Class	£1.38
4 x European (up to 40g)	£2.56
4 x Worldwide (up to 40g)	£4.76
4 x Worldwide (Airmail postcards)	£2.00

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<http://www.gbstamps.com/machins/faq3.html>

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All About Machins – The Machin FAQ

Part 3

Go to [Part 1](#)

Go to [Part 2](#)

16. What are those Machins inscribed “1st,” “2nd” and “E?”

16. What are those Machins inscribed “1st,” “2nd” and “E?”

These are non-denominated stamps — stamps that do not have a numeric value on them but indicate payment of a specific amount of money or payment for a specific postal service. Many countries issue non-denominated stamps today, but the way that they are used differs from country to country.

In the United Kingdom, these stamps are called “non-value indicators” or “NVI’s.” The first NVI’s were issued in 1989. At that time, Royal Mail was beginning to use private retailers, such as drug stores and supermarkets, to sell stamps to the public. The NVI’s were created to avoid problems at the time of postal rate changes.

With normal denominated stamps, sellers can be left with obsolete inventory when a postal rate changes. This inventory would have to be returned to Royal Mail and replaced by stamps at the new rates. At the same time, customers holding stamps of the obsolete value might try to exchange them for new ones or would need to purchase small-value stamps to make up the difference. For example, a customer with 19p stamps might want to purchase 1p stamps when the rate increased to 20p.

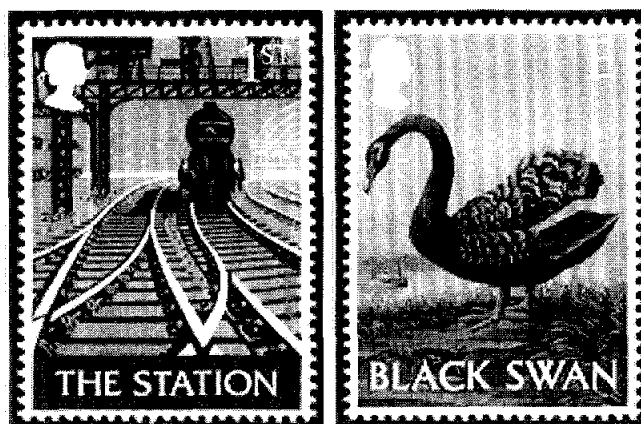


The three different types of non-value indicators (NVI's) are shown here. Machins with indicators for first-class service ("1st") and service to Europe ("E") are shown on the left in a se-tenant pair. The Machin for second-class service ("2nd") is shown on the right.

The NVI stamps were introduced to avoid these problems. Each stamp indicates payment for a particular service, not payment of a specific monetary amount. For example, stamps inscribed “1st” can be used to mail a letter weighing 60g or less (the first weight step) with first-class service. The stamps are sold at the current price for the inscribed service and remain valid for that service indefinitely.

When NVI’s were first introduced, stamps inscribed “1st” sold for 19p. They can still be used today for that service, although the rate for first-class mail as this is written is 28p. They can also be used to pay the equivalent to the current rate for other services, so today a “1st” stamp can be used to pay 28p worth of postage on a heavier letter, an overseas letter, a parcel or anything else for which a postage stamp is valid. In other words, British NVI’s are inflation-proof!

The original NVI’s were for first and second-class service. Originally they were only valid for mail within the United Kingdom, but in the mid-1990s the Universal Postal Union approved their use on international mail.



These two stamps from the 2004 Pub Signs issue show the use of non-value indicators on commemorative (special) stamps.

In 1998, a third NVI was introduced, the “E” stamp for letters to Europe weighing up to 20g (the first weight step).

After the success of non-denominated definitives, Royal Mail added the non-value indicators to other issues including commemoratives, greetings stamps and occasions stamps. Non-value indicators were also used for pictorial regionals.

Royal Mail discontinued the use of the “E” indicator in 2004. According to Royal Mail, customers thought the stamps had something to do with the *euro*, the European currency that has not been adopted in the United Kingdom. Denominated Machins and regionals were issued to replace the “E” stamps.

Today, NVI’s are widely used. “1st” and “2nd” NVI Machins are available in sheet, booklet and coil format. Commemoratives to pay the first and second-class rates are issued as NVI’s. In fact, Royal Mail does not issue any denominated stamps at all for the basic first and second-class rates. (The upcoming stamp for the wedding of Prince Charles and Camilla Parker-Bowles will be an exception.)

Other countries that issue non-denominated stamps have different rules than the U.K. For example, non-denominated stamps in the United States retain their original monetary value. A non-denominated stamp that was sold for 37 cents remains worth 37 cents forever, regardless of current postal rates. So even though a U.S. non-denominated stamp is inscribed “first class mail,” it is only useful for that service until the next rate increase changes the price of that service. top

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3. 2 ITEMS CONCERNING USE OF STAMPS WITHOUT FACIAL VALUE IN
FRANCE

Meeting with La Poste Officials at PRC, on April 19, 2006
(Shelley Dreifuss' Notes of the Meeting)

Shelley Dreifuss, Ken Richardson, and Jim Callow, of the Office of the Consumer Advocate, had an opportunity to meet with two officials of La Poste (biographical summaries attached) at the Commission on April 19, 2006. The French officials are Jean-Paul Forceville, La Poste's Director of External Relations, and Bernard Roy, La Poste's Director of the European and National Regulation Division. The subject of the meeting was the use of a Forever Stamp (they refer to it as an "everlasting stamp") in France. The French name for the stamp is the "Timbre Sans Valeur Faciale" (TSVF), which is literally translated as a "stamp without face value." The TSVF is used for the first weight increment (up to 20 grams) for the First-Class (overnight and 2-day delivery) product.

La Poste decided to convert to the TSVF system in the mid 1980s when they found it necessary to institute annual price increases as a result of high inflation. Prior to the use of TSVFs, La Poste used face-value postage for low-weight, First-Class Mail, as we do today in the U.S. With annual postage increases, La Poste had to resort to the use of stamps coded with letters, e.g., "A," "B," "C," and "D." (They instituted the TSVF format after "D.") As in the U.S., La Poste was not certain about the size and date of the new postal rate increase, because the decision was made by another branch of the government. In addition, when prices increased, there was a high demand for 1-centime and 2-centime stamps to pay for the differential. La Poste found the annual increases to be expensive and very difficult to administer. Their customers were unhappy at having to wait in long lines for new stamps and make-up stamps at the time

of an increase. Nor could La Poste effect distribution of the new stamps and make-up stamps to all parts of the country in a timely fashion.

Mr. Forceville and Mr. Roy stated that La Poste considers the sale and use of TSVFs to be financially beneficial to La Poste.

We asked a number of questions about the TSVFs and received the following answers.

1. Is there any premium associated with TSVFs? No.
2. Is the price paid for TSVFs at the time of sale the then-current price of postage?
Yes.
3. Are there any limitations on the quantity of TSVFs that can be purchased at one time? No.
4. Are TSVFs sold year-round? Yes.
5. Can TSVFs be used on all weights and shapes of mail? Until recently, yes. In March 2006, La Poste decided to create an independent parcel entity with entirely separate accounts from the rest of La Poste. From now on, no type of regular postage stamp (whether TSVF or denominated) can be used on a parcel. Postage on parcels will be paid by means of meter-style strips unique to the parcel entity.

For the rest of the mail, however, TSVFs can be used without limit, and each stamp is valued at the then-current First-Class, 20-gram rate.

Consequently, a 100-gram flat can be paid using TSVFs valued at the then-current rate plus any additional face-value stamps needed to equal the required postage for that weight.

6. Does La Poste sell denominated stamps for the purpose of paying postage for First-Class, 20-gram letters? Yes, but it is very rare for customers to make this choice. La Poste sells mostly TSVF stamps for First-Class, 20-gram letters. If a mailer wants a more highly styled stamp, those are available to pay for the 20-gram increment of First Class. The more highly styled stamp is denominated. The French officials noted that if a mailer had denominated stamps on hand when postal rates increased, then the mailer would have to add a make-up stamp to pay for postage. The French officials also mentioned they sell a large array of variously denominated and styled stamps for philatelic purposes.
7. Is there more than one style of TSVF? Generally, no. All First-Class stamps are color coded (red). There is a single stamp design that changes only when France elects a new President. The new President then chooses a new design for the TSVF.
8. Did the French officials believe that La Poste lost money on the TSVFs? No. The officials stated that they believed they came out ahead on the TSVFs. They said that many members of the public bought more stamps than they could keep track of, and frequently misplaced them. Also, some members of the public misunderstood the nature of the TSVF and added make-up stamps when rates went up even though they did not need to do so.
9. Did La Poste ever consider selling TSVFs at a premium because of concern about revenue losses? No. To quote the officials, TSVFs are "No Big Deal."

This is from the Phil Flash Website Re La Poste. This has been translated from French.

Stamps “of change of tariff”.

Andre Hurtré (*of the Academy of Philately*)

(*in italic: official texts*)

Summary of the general Instruction published in the Official Guide (1991, p.96)

40. Stamps posts and other fiduciary values (IG III art 224 to 277)

The stamps of change of tariffs do not comprise a value of stamping but are identified by a letter. The value of the stamps of red color corresponds to the stamping from the letter of first level of weight of the French inland system. That of the stamp of green color corresponds to the stamping from nonurgent fold “ECOPLI” of the first level of weight of the inland system.

These stamps can thus be used only for the metropolis, the overseas departments and the overseas territories.

Correspondence of the values for the already emitted stamps:

- letter A of green color: 1,90 F (August 1986)
- letter B of green color: 2,00 F (August 1987)
- letter C of color red: 2,30 F (January 1990)
- of green color: 2,10 F (January 1990).

Note: the page of the edition of the Official Guide that we have in hand is gone back to 1991, and account of the emission of the figurines with letter “D does not take yet” (of August 1991).

Creation

Circular of May 12, 1986 (BO 1986 p.167 document 161 permanent Po 27)

Emission of postage stamps without facial value

During the increase in the postage rates, the Administration must face the problems of manufacture and diffusion of the figurines to the new values within relatively short times.

For one limited period, several figurines coexist in the offices: figurines with the old tariffs, figurines with the values additional, figurines to the new tariffs. For these last the risk of out-of-stock condition is then particularly acute. For the others, the disaffection of the customers involves, in the more or less short term, their return to the Printing works of the postage stamps and their destruction.

In order to rectify this situation, the Administration decided to temporarily emit, to ensure the changes of tariffs, the postage stamps whose facial value will be replaced by a modified letter each time. (...)

2. Description

The postage stamps comprise instead of the facial value, a distinctive letter for each change of tariffs.

This letter corresponds to the future facial values fixed by decree of tax for the first level of weight of the letter and the PNU in the interior service. These stamps are respectively red and green. (...)

3. Period of startup of the postage stamps deprived of facial value

These figurines immediately replace the old values at the date of the change of tariffs and are put on sale until reception of the figurines comprising the new facial values.

In the event of stocks, the offices must sell, in priority, the figurines deprived of facial value which, to in no case, will not have to make return to the countable agency of the Printing works of the postage stamps.

4. Period of validity of the figurines deprived of facial value

These figurines indefinitely preserve their value of stamping from the tariff for which they were put on sale.

5. Field of application

Taking into account the provisions of article 192 of the Regulations of universal postal Convention, the postage stamps not comprising an indication of value of stamping are intended exclusively for the stamping from the sendings of the inland system.

However (...) it can occur that certain customers free their sendings intended abroad using postage stamps without facial value.

In this case, the sendings of the species must be regarded as valid, subject to the provisions to be applied in the event of insufficiency of stamping. (...)

6.1. Provisioning of the principal receipts of figurines deprived of facial value

Approximately two months before publication of the decree modifying the postage rates, the principal receipts are supplied by the countable agency of the postage stamps. (...)

First emission ("A")

Circular of July 2, 1986 (BO 1986, p.265, document 220 permanent Po 41)

Emission of postage stamp for the change of tariff

Application: date from the change of tariff.

The next modification of the postage rates involves the emission of a postage stamp of my current series of green color, whose facial value is represented by letter A. This value is equal to 1,90 F, new tariff of the first level of weight of the nonurgent folds. (...)

*This type of stamp from now on will be called **stamp of change of tariff**.*

5. Period of validity

This figurine carrying letter A will indefinitely preserve the value of stamping which is allotted to him, that is to say 1,90 F.

Instruction of July 16, 1986 (BO 1986, p.217, document 219 permanent Po 40)

Application: August 1, 1986.

Letter: 2,20 F (unchanged)

Nonurgent fold: 1,90 F

Second emission ("B")

Circular of July 28, 1987 (BO 1987, temporary document 187 Po41)

Emission of postage stamps and other values fiduciary

Application: from August 1, 1987.

1.1 Postage stamp of the 1st level of weight of the nonurgent folds.

The modification of the postage rates involves the emission on August 1, 1987 of the stamp known as "of change of tariff" of green color, whose facial value represented by the letter B is equal to 2,00 F, new tariff of the first level of weight of the nonurgent folds. (...)

One is reminded that the postage stamp, whose facial value is represented by the letter B, is exclusively intended for the stamping from the sendings of the inland system.

Instruction of July 31, 1987 (BO 1987, p.145, document 201 permanent Po 43)

Modification of the tariffs of the services mail

Application: August 1, 1987.

Letter: 2,20 F (unchanged)

Nonurgent fold: 2,00 F

Modification of the provisioning

Circular of May 29, 1989 (BO 1989, p.95, document 150 permanent Po 36)

Emission of postage stamps "of change of tariffs"

To ensure the changes of tariffs under best the conditions for the customer and the agents of the counters, the administration emits since 1986 of the stamps whose facial value is represented by a letter. However, taking into account a share of the often late publication of the decree of taxes and, in addition of (...) nonthe preparation by the principal receipts their sendings towards the offices generate delays in the setting on sale postage stamps known as "of change of tariff", which thus do not achieve their goal.

To rectify this awkward situation (...), the principal receipts will have henceforth to prepare in advance their distribution, in order to supply the offices on order of their head of departmental department, several days before the foreseeable date of the change of tariffs.

Third emission ("C")

Circular of December 6, 1989 (BO 1989, temporary document 321)

Emission of stamps posts and another fiduciary values, postage stamps of change of tariff.

(Relating to the creation of the stamps "C" red and green)

Instruction of February 1, 1990 (BO 1990, p.11, document 33 permanent Po 9)

Modification of the tariffs of the services mail (...)

Application: January 11, 1990.

Letter: 2,30 F

Nonurgent fold: 2,10 F

Fourth (and last) emission ("D")

Instruction of August 21, 1991 (B.O. 1991, p.77, document permanent Mail 19)

Modification of the tariffs of the services mail (...)

Application: August 19, 1991, for the tariffs of the services enumerated in appendix 2.

Letter: 2,50 F

Nonurgent fold: 2,20 F

Decision n°1639 of September 10, 1991 (BO 1991, temporary document Mail 20)

Emission of postage stamps and other values fiduciary (...)

Application: as of reception.

1.1 Emission of postage stamps "of change of tariff".

The modification of the postage rates on August 19, 1991 involved the startup on this same date of the postage stamps of the type "Marianne of the Bicentenary" known as "of change of tariffs" whose facial value represented by the letter D is equivalent to:

- 2,20 F (green color) new tariff of the first level of weight of the ECOPLI. Coding: 11 91 801.*
- 2,50 F (red color) new tariff of the first level of weight of the letter in the inland system. Coding: 11 91 800.*

One is reminded that these figurines must be reserved exclusively for the stamping from the sendings of the inland system and must be put on sale until exhaustion of the provisioning of office. (...)

21. Adhesive notebooks of 10 postage stamps "D" red.

- Price: **25 F.** Coding: 11 91 400.

These notebooks were put on sale as of the modification of the postage rates.



Advertisement of the end

Circular of April 1, 1993 (BO 1993, p.41 document permanent Mail 8).

Creation of the "New stamp"

Application: April 19, 1993.

To improve quality of the service rendered to its customers and to mitigate the disadvantages related to the changes of tariffs, the Post office decided to try out the sale of a "New stamp" with permanent validity not comprising an indication of value, not intended for the stamping from the letters of the 1st level of weight of the inland system.

This "new stamp" (Marianne de Briat, red, without facial value indicated and letter) was emitted on April 19, 1993 in three presentations: sheets, notebooks and casters.

Complementary remarks

- All these stamps were printed on presses RGR (**Rotary** high capacity), i.e. in the rotary soft face (high capacity).
- For the first tariff, it was planned a label A in red. The government having refused the increase in the port of the simple letter, labels "A" in red remained not emitted. The Museum of the preserve Post office a sheet.


Summarized table of the stamps "of change of emitted tariff".

Letter	Type	Color	Emitted	Presentation	FF
With	Gandon freedom	Green	August 1, 1986	Break into leaf	1,90
B	Gandon freedom	Green	August 1, 1987	Break into leaf	2,00
C	Gandon freedom	Red	January 2, 1990	Break into leaf	2,30
C	Gandon freedom	Green	January 2, 1990	Break into leaf	2,10
D	Marianne Briat	Red	August 19, 1991	Break into leaf	2,50

D	Marianne Briat	Red	August 19, 1991	Notebook * x10	2,50
D	Marianne Briat	Green	August 19, 1991	Break into leaf	2,30

* not notched self-adhesive stamps

- In "the *Inheritance of the French postage stamp*" (Flohic Editions) it is indicated some dates of withdrawal for these stamps. The consultation of the Official Bulletins of the periods considered does not enable us to confirm them.
In particular, the Circular of September 8, 1993 (B.O. 1993 temporary Mail 22) announces, amongst other things, the withdrawal for October 15, 1993 (date mentioned in the above mentioned work like that of the withdrawal of the stamps "D" in sheets) of many stamps - various values and presentations - "series of figurines of everyday usage"; but none codings corresponds to those allotted to the stamps "D" (mentioned above).
- La Poste utilise le terme "Marianne du Bicentenaire" pour la figurine que les philatélistes appellent le plus souvent "Marianne de Briat"

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La "DOC." de Phil' Flash

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MàJ 02/09/2002

4. SUMMARY OF SURVEY OF NVI (NON-VALUE INDICATOR)
STAMP USAGE IN OTHER COUNTRIES

Survey of NVI (Non-Value Indicator) Stamp Usage in Other Countries

(Summary of Research Conducted by Pam Thompson)

- ❑ Countries with good-for-ever NVI stamps:
 - Belgium, France, Ireland, Israel, Jersey, Luxembourg, Spain, Sweden, Turkey (discontinued once rapid inflation ended), UK, Zambia

- ❑ Most NVI stamps are good for a letter up to 20g. Luxembourg's "A" stamp may be used for mail sent abroad, or for heavier pieces of domestic mail. Sweden allows multiple NVI stamps to be used for heavier items, and also offer NVI stamps for Priority and Economy letter. UK offers 1st and 2nd-class NVI stamps for basic weight step (60g) for the 1st and 2nd class service. Zambia offers NVI stamps for letters only with 5 postage values – "0" (with value of K1500 for local postage within the country), "A", "B", "C", and "D" (with value of K3300, the postage to the USA).

- ❑ Most NVI stamps are available year round, with no limits on the purchase quantity. Jersey does limit the quantities sold to large retailers to prevent depletion of stock when a postal tariff increase is approaching. Ireland only issues such stamps during the period between the issuance of a request to the regulator for a tariff increase and the date of the formal decision granting the rate increase, to mitigate potential delays in stamp availability.

- ❑ Experiences
 - Some customers used the NVI stamp on non-eligible items. – Ireland
 - Some patrons have problems understanding how to place a value on the NVI stamp and combine it with other postage for items over 20 grams. -- Luxembourg
 - Some postal clerks engaged in hoarding – bought stamps privately and sold them later at a premium. – Israel (rectified by installing computerized tellers)
 - Loss of revenue did occur initially. – Israel
 - Sale of Commemorative stamps declined – Israel, Jersey,

□ Benefits:

- Since the NVI stamps are readily available when rate increases go into effect, they are produced in larger quantities so that the production costs per stamp have declined. -- Israel
- In Jersey, NVIs make up approximately 80% of all stamps sold and therefore the postal service believes use of the NVI facilitates more accurate sales forecasts. Second, the postal service earns interest on the funds spent by the public for stamps in advance. Third, Retail customers have benefited and noted that Direct Marketing companies using NVIs rather than meter marks or serial envelopes receive better responses to their marketing mailings. -- Jersey
- Less administrative burdens during rate increase periods and there is no need to print new stamps. -- Sweden
- No noticeable impact on revenues. -- Sweden
- Advantages to postal service's cash flow and more convenient for stamp retailers. -- UK
- Avoids the need to design, print, and distribute a new set of stamps for a new set of prices, and thus drive the costs down. -- UK